

Message Text

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ACTION INR-07

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FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 5537

S E C R E T JIDDA 5470

E.O. 11652: GDS

TAGS: PINR, SA

SUBJECT: FOCUS REVIEW: SAUDI ARABIA

REF: (A) STATE 191123, (B) JIDDA 5421, (C) STATE 187851,
(D) JIDDA 5386, (E) LTR TO AMBASSADOR PORTER FROM
AMBASSADOR EDWARD S. LITTLE DATED JULY 19, 1976.

1. REF (D) LTR FROM AMB LITTLE TO AMBASSADOR PORTER
JUST RECEIVED. SINCE THE FOCUS REVIEW OF SAUDI ARABIA
ALREADY WELL UNDERWAY, EMBASSY COMMENTS ONLY BRIEFLY ON
THE POINTS RAISED IN THAT LETTER. AS THE LISTING OF
"SIGNIFICANT ISSUES" FOR CONSIDERATION ON THE FOCUS AGENDA
REF (A) NICELY UNDERLINES, THE BODY OF SUBJECTS WORTHY OF
REPORTING ON IN THE KINGDOM IS LITTLE LESS THAN VAST,
THOUGH CLEARLY SOME TOPICS ARE GREATLY MORE IMPORTANT
THAN OTHERS. EMBASSY RESOURCES ARE ACUTELY LIMITED AND
REPORTING OFFICERS ARE ALSO INVOLVED WITH THE OPERATIONAL
BUSINESS OF THE EMBASSY. EMBASSY HAS BEEN OBLIGED TO FOCUS REPORTING
EFFORTS ON THOSE SUBJECTS WHICH SEEM TO HAVE THE GREATEST
RELEVANCE TO U.S. POLICY TOWARDS AND INTERESTS IN
SAUDI ARABIA. ON THE INTERNAL POLITICAL SIDE THIS HAS
RESULTED IN PRIMARY EMPHASIS ON THE ROYAL FAMILY, GOV-
ERNMENT STRUCTURE AND POWER RELATIONSHIPS, THE WAYS IN
WHICH GOVERNMENTAL DECISIONS ARE MADE AND INFLUENCED, AND
QUESTIONS OF INTERNAL STABILITY AND SECURITY. ON THE EX-
TERNAL POLITICAL SIDE, PRIMARY EMPHASIS HAS BEEN GIVEN
TO ISSUES DIRECTLY AFFECTING SAUDI-U.S. RELATIONS, THE
SAUDI POSITION TOWARDS ISRAEL AND THE ARAB-ISRAELI DISPUTE,
SAUDI RELATIONS WITH ITS GULF NEIGHBORS, RELATIONS WITH

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OTHER ARAB STATES, PARTICULARLY SYRIA AND EGYPT, AND RE-

LATIONS WITH OTHER AREAS SUCH AS AFRICA WITH EMPHASIS ON POSSIBLE SAUDI-U.S. COOPERATION FOR THE ATTAINMENT OF COMMON OBJECTIVES.

3. ON THE ECONOMIC SIDE (EXCLUDING THE VERY LARGE VOLUME OF COMMERCIAL REPORTING) WE HAVE BEEN CONCENTRATING ON IDENTIFYING OBSTACLES TO IMPLEMENTING THE FIVE YEAR DEVELOPMENT PLAN (PORT, TRANSPORTATION, ENERGY, CONSTRUCTION AND LABOR BOTTLENECKS); IMPLICATIONS FOR SAUDI SOCIETY OF LARGE INFLUX OF FOREIGNERS, INCLUDING YEMENI LABOR FORCE; STATUS OF MAJOR INDUSTRIALIZATION PROJECTS; INSTITUTIONAL CHANGES AFFECTING U.S. INVESTMENT (E.G., LARGER SAUDI PARTICIPATION IN THE CAPITAL STRUCTURE OF FOREIGN FIRMS); FACTORS UNDERLYING INFLATIONARY PRESSURES IN THE KINGDOM; AND GENERAL TRENDS AND OUTLOOK FOR THE SAUDI ECONOMY AND OPPORTUNITIES FOR INCRDASED U.S. EXPORT TRADE (STATED TARGE TO OBTAIN AT LEAST 50 PERCENT PARTICIPATION IN THE FOREIGN COMPONENT -- IMPORT REQUIREMENTS AND ENGINEERING SERVICES -- OF THE FIVE YEAR DEVELOPMENT PLAN).

4. ON THE SUBJECT OF THE MISSION ASSESSMENT OF THE SUPPORT PROVIDED IT BY THE INTELLIGENCE COMMUNITY (AGENDA ITEM 3 IN REF (A)) EMBASSY REMARKS ARE FROM THE STANDPOINT OF THE MISSION AS A CONSUMER OF FINISHED INTELLIGENCE. WE HAVE BEEN WELL SERVED BY THE PUBLICATIONS WHICH ARE PRODUCED BY THE INTELLIGENCE COMMUNITY. WE ARE AWARE OF THE ADMONITION NOT ONLY TO REPORT BUT TO ANALYZE AND EXPLAIN THE SIGNIFICANCE OF THAT WHICH IS BEING REPORTED. IF WOULD STILL SEEM TO BE TRUE THAT IN CERTAIN ECONOMIC AND TECHNICAL AREAS ONLY THE WASHINGTON-BASED INTELLIGENCE COMMUNITY HAS THE RESOURCES AND SKILLS TO SYNTHESIZE THE RAW MATERIAL PROVIDED BY THE FIELD AND PROVIDE FINISHED INTELLIGENCE. THIS PRODUCT WHEN IT RETURNS TO THE FIELD OFTEN BRINGS NEW INSIGHTS AND PERSPECTIVES IN ASSISTING THE MISSION TO SEE ITS OWN OUTPUT WITHIN THE FRAMEWORK OF A LARGER WHOLE. ANOTHER FUNCTION PERFORMED BY THE INTELLIGENCE COMMUNITY IS TO PROVIDE THE INSTITUTIONAL MEMORY SELDOM AVAILABLE IN DEPTH AT MISSIONS ABROAD AND TO MAKE AVAILABLE TO EMBASSIES MATERIALS AND ANALYSES WHICH CAN GIVE ADDED POINT TO THE REPRESENTATIONS WE

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MAKE TO FOREIGN GOVERNMENTS, SOMETIMES ENABLING US TO UNMASK HOARY OLD ISSUES WHICH HAVE RETURNED MASQUERADING AS NEW PROBLEMS.

5. REPORTS WHICH ARE PARTICULARLY USEFUL TO THE MISSION ON A CONTINUING BASIS INCLUDE OER'S "ECONOMIC INTELLIGENCE WEEKLY" AND "INTERNATIONAL OIL DEVELOPMENTS." RECENT INR PRODUCTS OF PARTICULAR UTILITY INCLUDE: "FINANCING OF

1976 BALANCE OF PAYMENTS DEFICITS OF DEVELOPING COUNTRIES
NOT ASSURED;" "A GUIDE TO IMF FINANCING FACILITIES;" "IFAD
IN TROUBLE;" AND SEVERAL OF THE BACKGROUND REPORTS PRODUCED
IN PREPARATION FOR THIS SUMMER'S NON-ALIGNED MEETINGS.

6. WE LOOK FORWARD TO RECEIVING THE FOCUS REVIEW AS AN
AID TO US IN DIRECTING OUR REPORTING MORE CLOSELY TO THE
NEEDS OF THE DEPARTMENT AND OTHER WASHINGTON AGENCIES.
PORTER

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